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Attorneys for USACM Liquidating Trust

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re:

USA COMMERCIAL MORTGAGE  
COMPANY,

Debtor.

Case No. BK-S-06-10725-LBR

Chapter 11

Jointly Administered Under Case No.  
BK-S-06-10725 LBR

**DECLARATION OF GEOFFREY L.  
BERMAN IN SUPPORT OF  
OMNIBUS OBJECTIONS OF  
USACM TRUST TO PROOFS OF  
CLAIM BASED UPON  
INVESTMENT IN THE FIESTA  
MURRIETA LOAN**

Date of Hearing: July 26, 2011  
Time of Hearing: 1:30 p.m.  
Estimated Time for Hearing: 10 minutes

Geoffrey L. Berman declares under penalty of perjury:

1. I am an adult person competent to testify in court.
2. I make this declaration based upon my personal knowledge, and upon the records USA Commercial Mortgage Company.
3. I am the Trustee of the USACM Liquidating Trust ("USACM Trust"), which is an entity created by the Debtors' Third Amended Joint Chapter 11 Plan of Reorganization ("Plan"), in the jointly-administered bankruptcy cases, In re USA

Commercial Mortgage Company, BK-S-06-10725-LBR, pending in the United States Bankruptcy Court for the District of Nevada.

4. USACM circulated an Offer Sheet to prospective Direct Lenders soliciting funding for an acquisition and development loan to a borrower identified as “Fiesta Development.” A copy of the Offer Sheet is attached hereto as **Exhibit B** and incorporated by this reference. The total loan amount proposed was \$6,500,000. The Offer Sheet described the investment as a “First Trust Deed Investment” and noted that the investment would be secured by a first deed of trust on “approximately 26 acres for development into approximately 56 single family residential lots” in Southwest Riverside County near the intersection of Interstate 15 and 215.<sup>1</sup> Pursuant to the Loan Agreement, the loan was intended for Borrower to acquire the subject real estate.

5. On April 14, 2005, Borrower made and delivered to various lenders, including the Direct Lenders identified in **Exhibit A**, a “Promissory Note” (the “Note”) and a Loan Agreement. The Note and Loan Agreement provided for a loan of \$6,500,000. The Note was secured by a “Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing” from the Borrower in favor of the Direct Lenders that was recorded in the official records of Riverside County, California on April 15, 2005 at Instrument Number 2005-0298213.

6. The Note was also supported by an April 14, 2005 Guaranty signed by Richard Ashby and Larry Redman, who, pursuant to the Offer Sheet, “indicate a combined net worth in excess of \$20 million.”

7. The USACM “Loan Summary” dated July 31, 2006 and filed in this case shows that Borrower was “Performing” on the Note as of July 31, 2006 and the “Loan

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<sup>1</sup> There does not appear to be an appraisal to support this loan. Loan to value was represented to be 50% based on prices of “similarly situated finished lots”. This property pledged as collateral does not appear to have been finished, however.

Summary” dated February 28, 2007 shows that Borrower was “Performing” on the Note as of February 28, 2007.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: June 16, 2011

/s/Geoffrey L. Berman

Geoffrey L. Berman

Copy of the foregoing (without exhibits)  
mailed by first class postage prepaid  
U.S. Mail on June 16, 2011 to the  
investors in the Fiesta Murietta loan listed  
on Exhibit A.

s/ Matt Burns

Matt Burns  
Lewis and Roca LLP